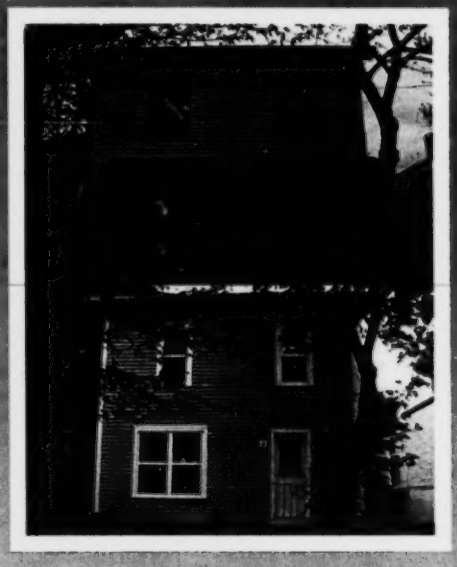


Newfoundland Labrador

Housing

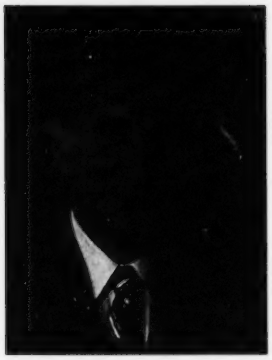
Annual Report 2009-10

Newfoundland Labrador

Housing

Annual Report 2009-10

Message from the Chair



I am pleased to present the 2009-10 Annual Report for Newfoundland Labrador Housing (NL Housing). This report highlights the activities and programs that are so important to low-income households being served by NL Housing.

The highlight of 2009-10 for NL Housing was the launch of a Social Housing Plan for Newfoundland and Labrador-*Secure Foundations*. This plan envisions secure and affordable housing for low and moderate income households across the Province. It builds on housing initiatives and investments made in recent years by a provincial government committed to improving the housing conditions of low-income families and vulnerable individuals.

NL Housing has focused its program delivery in 2009-10 on the continued improvement of the physical condition of public rental and community-based housing. The Provincial Home Repair Program and the Residential Energy Efficiency Program have ensured that thousands of low-income homeowners are able to continue to stay in their homes through improvements in the conditions of their homes and have assisted in making home heating costs more affordable.

NL Housing continues to engage and work with its many partners to provide a range of housing options for families, seniors, youth at risk, victims of violence, persons with disabilities, persons with complex needs and to address homelessness.

This Annual Report was prepared in accordance with the *Transparency and Accountability Act*, and was prepared under the direction of the Board of Directors of NL Housing. The Board of Directors are accountable for achieving the specific goals, objectives and results reported in this document. This report outlines NL Housing's activities and outcomes from April 1, 2009 to March 31, 2010.

Len Simms
Chair of the Board of Directors
Chief Executive Officer

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1.0 Overview

Introduction

In fulfilling its commitment to being open and accountable to the people of Newfoundland and Labrador, Government introduced through legislation the *Transparency and Accountability Act (the Act)*. *The Act* provides the framework to ensure the accountability of government entities through the preparation of multi-year performance-based plans and annual reports that must be presented to the Provincial House of Assembly.

This report covers the second year of Strategic Plan 2008-2011, which was developed under the direction of the Newfoundland Labrador Housing (NL Housing) Board of Directors. This report outlines progress made during 2009-10 by NL Housing in fulfilling its mandate of providing housing programs which serve to assist and benefit low and moderate income families.

Vision

The vision of NL Housing is that residents of the Province have access to safe and affordable housing.

Mission

By 2011, to address changing housing needs NL Housing will have improved housing conditions for low and moderate income households in Newfoundland and Labrador.

Mandate

NL Housing is a crown corporation whose mandate is to develop and administer housing assistance programs for the benefit of low-to-moderate income households throughout the Province.

Lines of Business

NL Housing has four lines of business:

Social Housing: Provides subsidized rental accommodation to low income households who meet pre-determined criteria. Social housing assistance is subject to the number of available units funded in the public housing and private stock.

Housing Supply Assistance: Provides forgivable loans to property owners to undertake repairs or modifications to their homes and to public, private and non-profit organizations to develop new affordable rental housing stock for low to moderate income households.

Community-Based Housing: Provides financial, technical, and administrative support to non-profit, co-operative and health sector housing providers who meet specified criteria. Subsidies are provided under various types of funding and operating agreements.

Real Property Stewardship: Develop and/or divest of corporate land and property holdings. Manage the financial interests in lands divested to municipalities and properties financed by NL Housing and operated by government departments and boards.

Did You Know?

Social housing programs assist approximately 16,000 households annually.

NL Housing

NL Housing is a provincial crown corporation which operates under the authority of the *Housing Corporation Act* and is responsible for the implementation of government's overall social housing policy and programs. NL Housing is governed by a Board of Directors appointed at pleasure by The Lieutenant-Governor in Council. The Board reports through the Minister of Transportation and Works, Minister Responsible for NL Housing. The Chairman of the Board of Directors serves in a dual capacity as Chief Executive Officer and is responsible for the day-to-day operation of NL Housing.

See Appendix 1 for NL Housing Organizational Chart

NL Housing has a staff complement of 420 employees, of which 37% are female and 63% are male. In 2009-10, 43 seasonal and temporary workers were made permanent employees leaving nine seasonal employees on staff. The rural/urban breakdown of staff is 133 employees (32%) rural and 287 employees (68%) urban[1]. As of March 31, 2010, there were ten ongoing competitions to fill vacant positions.

Programs and services are delivered through NL Housing's seven regional offices. Staffing at NL Housing's offices is as follows:

Location	Staff Complement
Avalon	150
Burin Peninsula	14
Gander	11
Grand Falls-Windsor	28
Corner Brook	46
Stephenville	20
Labrador	14
Head Office	137
Total	420

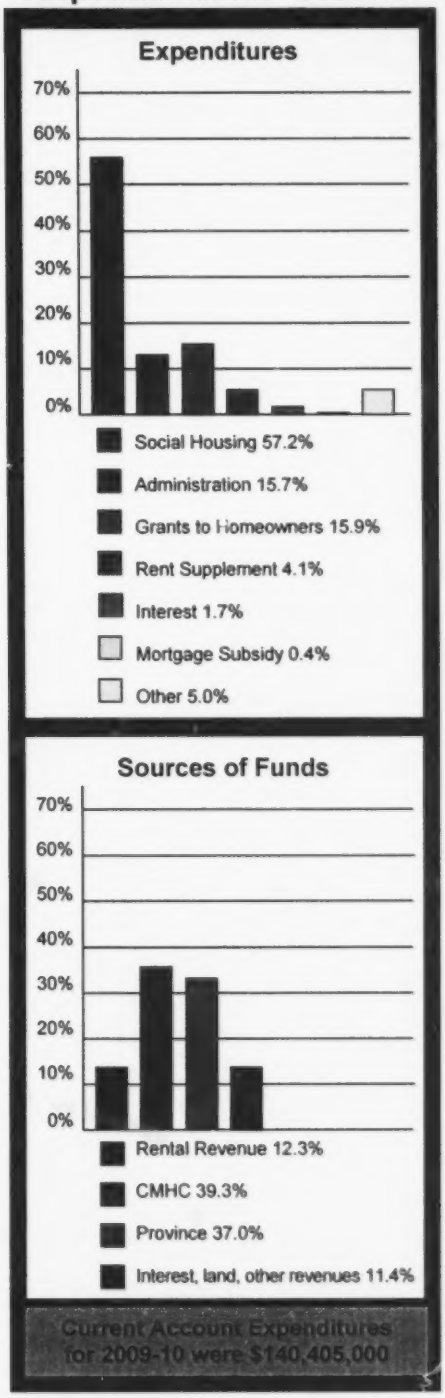
NL Housing serves families, seniors, persons with disabilities and special needs, victims of family violence, homeowners and landlords. NL Housing works with the provincial government, federal government, landlords, non-profit groups, housing operators, community organizations, municipalities and advocacy groups.

Donna Reynolds, Clerk, Maintenance Department

Maintenance employees work on setting up the new stockroom. In the foreground L-R: John Ivey and Jim Learie, Maintenance Repairpersons.

1 Urban is defined as the St. John's CMA and all other areas of the Province are considered as rural.

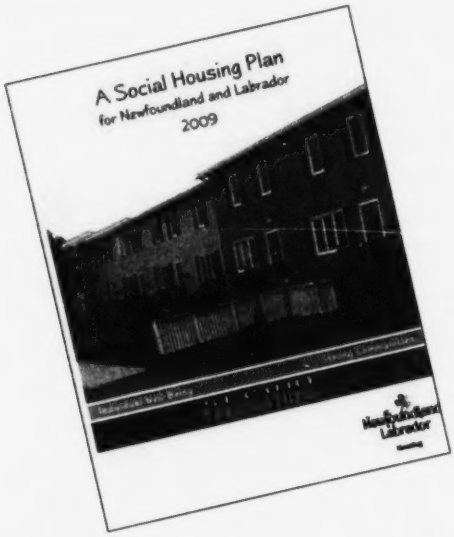
Corporate Profile 2009-10



Households Served	
Rental Housing	5,522
Community-Based Housing	4,465
Home Repair	2,361
Rent Supplement	1,384
Residential Energy Efficiency	1,118
Mortgage	215
Affordable Housing	272
Aboriginal Home Repair	433
Oil Tank Replacement	231
Units conditionally approved under the Affordable Housing Program	451
Units given final approval under the Affordable Housing Program	249
Value of Affordable Housing projects	$9.6 M
Applications approved under the Residential Energy Efficiency Program (REEP)	1,118
Funding for Community-Based Housing	$13.8 M
Grants approved under PHRP	2,361
Loans approved under PHRP	440
Value of grants and loans provided to homeowners under the Provincial Home Repair Program (PHRP)	$10.7 M
Number of mortgage and home repair loans on repayment	3,384
Value of loans	$12.1 M
Maintenance and repair expenditures on NL Housing rental units	$14 M
Modernization and Improvement expenditures on NL Housing rental units	$12.5 M
Tenant Associations	33
Neighbourhood Centres	14
Community Centres (serving approximately 1,400 families and 5,600 individuals)	8

Building Secure Foundations

In August, 2009, a Social Housing Plan for Newfoundland and Labrador-*Secure Foundations* was launched. The plan is built on a vision that all Newfoundlanders and Labradorians have access to secure and affordable housing. This 10-year plan supports the Province's Poverty Reduction Strategy and will improve the housing circumstances of lower-income households. The plan emphasizes individual well-being, strengthened communities, strengthened partnerships and management practices and improved housing assistance.



Valuable input into the development of the plan was provided through province-wide consultations with individuals and organizations. These consultations helped shape the strategic action priorities that are outlined in the plan. Since releasing *Secure Foundations*, NL Housing held a consultation in October 2009 with its stakeholders to further develop new initiatives for consideration. The development of this plan and its implementation is led by a ministerial committee chaired by the Minister Responsible for NL Housing, and comprised of the Ministers of Human Resources, Labour and Employment, Health and Community Services and Justice.

The Province is committed to providing sustainable and affordable housing for the people of Newfoundland and Labrador. *Secure Foundations* builds on the enhanced housing initiatives and investments made by the provincial government in recent years. The Province showed its commitment to the vision outlined in *Secure Foundations* in the 2009 budget. A total of $23.6 million was provided for housing investments for items such as social housing renovations, energy retrofits and social housing units for low-income seniors.

During consultations, stakeholders emphasized the importance of enhanced coordination between departments and agencies in providing housing and support services. In response to this, two complementary initiatives were launched. The Provincial Homelessness Fund and the Supportive Living Community Partnership Program (SLCPP) were established to provide capital funding and wrap around support services for individuals with complex service needs. While SLCPP is delivered through the Department of Human Resources, Labour and Employment, an interdepartmental advisory committee of which NL Housing is a member oversees activity of the SLCPP.

Over a two year period the government of Newfoundland and Labrador will provide a $50 million investment towards $93 million of combined federal and provincial funding to build new affordable housing and renovate existing social housing units throughout the Province. *Secure Foundations* is a plan that will grow towards fulfilling the housing needs of low and moderate income households.

See Appendix 2 for additional information on Secure Foundations.

Housing Programs

Continued Improvement of Public Rental Housing

For many years the condition of public rental housing was allowed to fall into disrepair due to insufficient funding. In 2007-08, the Government of Newfoundland and Labrador recognized the need to improve the condition of social housing and improve the lives of those living in publicly funded housing. NL Housing started a 5 year program of accelerated modernization which would target the upgrading of building envelopes and interiors, address visibility and redevelop and revitalize public housing neighbourhoods across the Province. This will improve the living conditions of current tenants and address the demand for housing among smaller families and applicants who require smaller homes.

In 2009-10, funding of $20.5 million was allocated by the Province and through the Federal/ Provincial Economic Stimulus Program to modernize and improve 1079 rental units. This will extend the life of public rental housing and improve the quality of life for those living there.

The renovations and retrofits included the replacement of roofing, siding, windows, doors and the interior retrofit of the interior of units. The modernization of public rental housing has greatly contributed to the local economies of both urban and rural areas of the Province through the purchase of materials and through the employment of local trades people. The work was carried out by both NL Housing staff and private contractors. Improved public rental housing is making a difference in the lives of those who live in the newly renovated homes.

Did You Know?

NL Housing places roughly 650 applicants in subsidized housing on a yearly basis.

In 2009-10, NL Housing redeveloped units in the Vimy, Froude and Cashin Avenue areas. The units are one-level with hardwood floors, front and back decks and an in-apartment laundry and storage spaces. The new kitchens are spacious and equipped with new appliances and a full set of cupboards. The living rooms and kitchens are framed in an open concept so that lots of sunlight pours through the windows. One of the families that was relocated moved into the neighbourhood in the late 1950s and have lived there most of their lives. Now in their 70s and 80s the family is delighted with the new home and its modern conveniences.

L-R: Housing Administration Officer Marion Green, Hannah, Bertha, Mary Gillingham, Tenant Relations Officer Charlene Taylor in the newly renovated home.

Did You Know?

3,117 seniors are served through NL Housing subsidized rental programs.

Maintaining our Public Housing

NL Housing has a program of corrective maintenance which involves the repair or replacement of items as a result of normal wear and tear over time. This would include items which any homeowner would have to correct in order to maintain the comforts of the home and include broken faucets, furnace breakdowns, leaking hot water boilers and minor electrical type repairs.

Tenant Doris Cooney of Crosbie Road is very pleased with her new kitchen cabinets that were recently installed.

Did You Know?

NL Housing receives some 27,500 work orders for maintenance repair in any given year.

Providing prompt attention to minor maintenance repairs allows tenants to live more comfortably in public rental housing. Of those tenants who had maintenance work completed on their units and who responded to the Public Rental Housing Tenant Survey in 2009, 74% were pleased with maintenance repairs completed on their units.

Provincial Home Repair Program

The Government of Newfoundland and Labrador has put great effort into trying to ensure that the people of our Province are self-reliant and resilient. One way to foster this is through investment in housing programs that provide assistance to low-income private homeowners to make repairs to their homes and allows them to remain in their homes.

NL Housing in partnership with the Government of Canada, delivers the Provincial Home Repair Program (PHRP). The program provides home repair assistance to low-income families who own their homes mainly in rural Newfoundland and Labrador, a significant number who are seniors. Funding is available on a priority basis to address repairs which are considered an emergency or are life safety in nature. The program covers home modifications to allow seniors and persons with disabilities to remain in or return to their homes. Under PHRP financial assistance is provided on a wait list basis to repair windows, doors, siding, foundations, roofs and wells.

The Federal share of PHRP funding has remained the same as in previous years. However, the Province has doubled its commitment to the program by providing for an additional $4 million per year beginning on April 1, 2007, for a six year period. In 2009-10, $9.3 million was spent to deliver 2,361 grants under PHRP, of which 1,684 were approved for low-income seniors. In addition, another 440 repayable loans worth $1.4 million were provided to assist with home repairs. There were 1,060 applications on the wait list for PHRP at the end of March 2010.

Did You Know?

Some 49,800 low-income households have been assisted under the Home Repair Programs in Newfoundland and Labrador since 1976.

PHRP 2009-10 Delivery

Program	Forgivable		Repayable	
	Funding	# of Grants	Funding	# of Loans
Emergency	$2,265,468	709	$ 457,544	193
Disabled*	$1,909,171	319	$ 131,738	43
Regular	$5,168,399	1,333	$ 777,017	204
Total	**$9,343,038**	**2,361**	**$1,366,299**	**440**

* Funding for this component of PHRP assisted 264 seniors' households and 55 non-senior households.

Rental Rehabilitation Programs

Property owners, entrepreneurs, non-profit groups, co-operatives and First Nations can avail of three programs offered under PHRP to repair and rehabilitate properties rented to lower income households. Federal/Provincial funding of approximately $1.4 million was spent under the three Rental Rehabilitation Programs to upgrade substandard self-contained rental units and provide much needed beds in shelters across the Province. A total of 84 beds were created and 83 units were either converted or upgraded to meet health and safety standards.

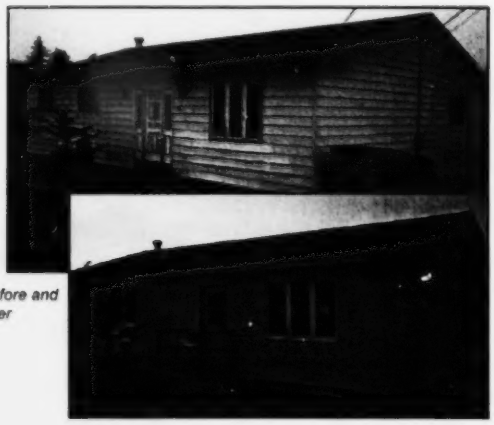
Rental Rehabilitation Program			2009-10
	Funding	No. of Beds	No. of Units
Rental/ Rooming House RRAP	$793,458	6	71
Shelter Enhancement Program	$486,116	78	8
Conversion RRAP	$ 94,576	0	4
Total	**$1,374,150**	**84**	**83**

Rent Supplement Program

NL Housing, as part of its strategy to assist low-income individuals and families to secure suitable and adequate accommodation has partnered with private sector landlords to obtain housing in the private rental market place. NL Housing in partnership with the Government of Canada delivers the Rent Supplement Program which targets low-income households by paying a portion of their rent for private rental accommodations. The tenant's rental payment to the landlord is 25% of their net income with the remaining portion of the rent paid directly to the landlord by NL Housing.

Traditionally the Rent Supplement Program provided subsidies to house approximately 1,000 households annually. However, demand for this program has risen over the past number of years especially amongst low-income individuals. The Federal contribution to the program has remained constant. In 2008-09 to address the waiting list for housing, the Government of Newfoundland and Labrador increased program funding to secure another 250 rent supplements per year over a two year period.

As a result of this 198 households were provided subsidies under the Rent Supplement Program in 2009-10. In delivering this housing assistance, NL Housing partnered with Stella Burry Community Services and the Canadian Mental Health Association by earmarking a number of subsidies for clients referred by these organizations.



PHRP Before and After

Affordable Housing Initiative

NL Housing recognized that the Affordable Housing Program offered the greatest opportunity to increase the number of homes available to seniors in Newfoundland and Labrador who are aging at a faster rate than any other province in the country. There was also an opportunity to increase the number of fully accessible units for persons with disabilities. By working with the private sector and community-based groups, new accommodation was constructed under the Affordable Housing and Housing Trust Programs for low and moderate income households.

The Affordable Housing Program is a Federal/ Provincial cost shared initiative providing new and affordable housing for low-to-moderate income households. Private, non-profit and government sector groups can apply for capital assistance and if approved are eligible for forgivable loans to construct affordable housing. Ten percent of these affordable housing units must be fully accessible and available to those who qualify.

In 2009-10, funding of $6.2 million was approved to develop new affordable housing. This funding will provide 115 homes for seniors, persons with disabilities and other low income households.

NL Housing staff and board members visit tenant Aiden Young in his new rental home in Stephenville. Back (l-r): Len Simms, Verna Northcott, Derrick House. Front (l-r) Daniel McCann, Aiden Young.

Residential Energy Efficiency Program

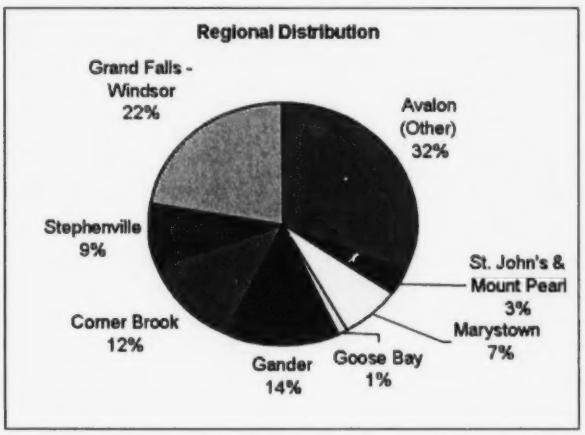
Government recognized that the increasing cost of heating a home was becoming a hardship for many low-income families in Newfoundland and Labrador. In 2008-09 the Province announced a two-year initiative designed to assist these households to make energy retrofits to their homes.

Photo by Morley Linstead, Program Delivery, NL Housing.

The Residential Energy Efficiency Program (REEP) is funded through the Department of Natural Resources. It is delivered through NL Housing and available to low-income homeowners who use either heating fuel or electricity to heat their homes. This program pays for pre and post inspections and grants are available up to a maximum $3,000 per house on the island and $4,000 in Labrador. Repairs are identified through an independent energy evaluation, which will determine the best possible solutions for energy efficiency. Examples of repairs covered are heating system upgrades, basement and attic insulation or draft-proofing.

REEP	2009-10	2008-09
Applications Received	1,500	2,138
Applications Approved	1,118	1,009

The benefits of REEP can be clearly seen in the data analysed for 700 clients who completed the program. The data suggests that the client would save on average 35% on their annual home heating costs. In real dollars, this translates to approximately $800 per year.[2] Take up of REEP across the Province can be seen in the following pie chart:



REEP greatly benefited many seniors in reducing the cost of heating their homes. This is especially important to seniors living on fixed incomes where the cost of heating a home continues to rise. Eighty-one percent of those availing of the program were over the age of 55 years and 57% of these clients were over the age of 65 years. The average income of those served under REEP was $19,676.

Oil Tank Replacement Program

The Oil Tank Replacement Program (OTRP) is a provincial loan program being delivered through NL Housing. The OTRP provides loans to low-income households to replace substandard residential oil heating tanks.

Households with a total annual income of less than $22,397 are eligible and may qualify for a loan of up to $1,200 on the island and $1,500 in Labrador. Loans are repayable at a rate of $25.00 per month. Qualified households are also eligible for a $300 grant through the Department of Finance which will be applied against the total cost of tank replacement.

In 2009-10, 231 applications were approved under the OTRP with 121 loans totaling $150,233 advanced to the end of the fiscal year. The average loan advanced was $1,242.

The Oil Tank Replacement Program benefited mainly seniors across the Province with the average age of those assisted being 61 years. The program also benefited mostly those living in rural Newfoundland and Labrador with 226 applications or 98% coming from rural areas of the Province and 5 applications coming from St. John's or just 2%.

The OTRP is scheduled to conclude at the end of May 2010.

[2] This information is based on the most recent data received from the NL Statistics Agency and estimation software used by AmerSpec to generate estimates of annual cost savings.

Thinking About What We Do and How We Do Things

Public Rental Housing Tenant Survey

The report on the findings of the Public Rental Housing Tenant survey was completed in December 2009. A random sample of 1,000 clients living in public rental accommodations was selected and 380 completed questionnaires were returned, for a response rate of 38%.

Survey Highlights

Respondents Indicated Satisfaction with:	
Renovations completed on the Home	77% Satisfied
Maintenance completed on the Home	74% Satisfied
Service of Housing Administration Officers	75% Satisfied
Service of Tenant Relations Officers	84% Satisfied
Generally satisfied with Service	74% Satisfied

There were some issues raised around maintenance of public rental housing units and respondents provided suggestions to improve maintenance service which are being implemented. The survey provided a starting point for a comparison of future studies to analyze tenant satisfaction with the service NL Housing provides. While the results around satisfaction are positive, we recognize that there is still room to improve.

Evaluation of Tenant Relations Program

The Tenant Relations Program was instituted in NL Housing in 1983 to deal with community resistance to the expansion of social housing neighbourhoods and to provide a more positive image of public housing overall. In January 2010, NL Housing went forward with a Request for Proposals (RFP) to undertake a review of the program. The purpose of the review is to evaluate the effectiveness of the Tenant Relations Program and define the future directions and priorities of Tenant Relations within NL Housing. The final report of the evaluation should be ready in May 2010.

Review of Community-Based Housing Program

The Community-Based Housing Program established in 1986, represents a partnership between NL Housing and independent non-profit community organizations located across the Province. NL Housing provides financial funding and some operational support to the volunteer boards of Community-Based Housing groups who provide independent rental housing accommodations for low-income families and individuals.

In March 2010, NL Housing went forward with a RFP to evaluate the program and determine the continued viability of volunteer oversight. The RFP will assess the development of a long-term plan to encourage the continued involvement of volunteers. The scope of work included addressing such issues as the recruitment and retention of volunteers, an analysis of whether or not the current capital funding which has been allocated is sufficient and an assessment of future financial sustainability of Community-Based Housing projects. The final report of the review is expected to be ready by mid August 2010.

Atlantic Seniors Housing Research Alliance

NL Housing has been a contributing member of the Atlantic Seniors Housing Research Alliance (ASHRA) since 2004. ASHRA has been dedicated to undertaking research which focused on the emerging housing needs and supports which will be required over the next 20 years by Atlantic Canadian seniors.

The ASHRA project culminated in the Atlantic Seniors Housing Needs Conference held in Halifax in May 2009. The conference brought together over 150 ASHRA participants, government officials, planners, builders, architects and seniors groups to review the findings of the project and begin planning for future action.

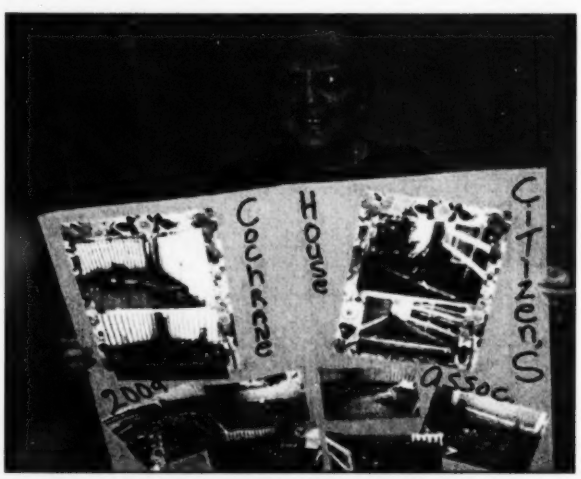
Client Conferences

Annual Tenant Conference

The 24th annual NL Housing Tenant Conference was held in Gander on September 25th and 26th, 2009. The conference brought together 90 tenants representing 33 tenant associations from across the Province. NL Housing board members, staff and representatives from the 8 community centres also participated in the conference. The theme of this year's conference was health and wellness and the good work of many of the tenant associations was recognized.

A number of milestones were acknowledged with the Rabbittown Tenant Association celebrating its 25th anniversary, the Burin-Black Duck Tenant Association turning 20, the Perrault Place Tenant Association of Goose Bay turning 15 and the Millennium Dream Team and Move To Improve Tenant Associations celebrating 10 years.

One of the many neighbourhood success stories proudly highlighted at this year's conference was the Cochrane House Citizens Association participating in NL Housing's Tidy Neighbourhoods campaign.

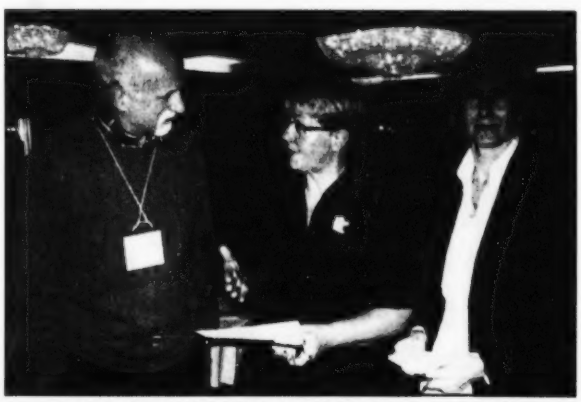


Linda Mathews, Cochrane House Citizens Association, shows off the work done through the Tidy Neighbourhoods Campaign.

The group received a grant of $900 to purchase tools and supplies to create a garden in the neglected backyard space and to spruce up the grounds around the St. John's seniors building. The garden has become an oasis for seniors residing at Cochrane House and has improved the social interaction among seniors who have different backgrounds and interests.

Community-Based Housing Conference

Community-Based Housing projects are run by volunteer Boards of Directors who do an amazing job of operating housing projects which provide much needed affordable housing in our Province.



Pastor Clarence Buckle chats with Darlene Scott, Community Sector Council Newfoundland and Labrador, as Madonna Walsh, Manager, Affordable Housing looks on.

To show appreciation to the volunteer boards and the valuable work that they do, NL Housing brought together Community-Based Housing providers at a conference in St. John's on October 31, 2009. The themes of this year's conference were risk, internal controls and aging in place.

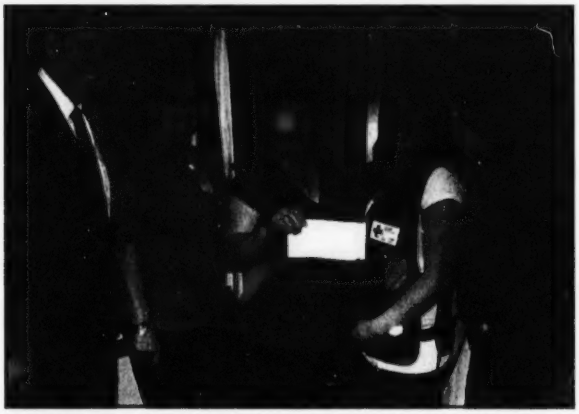
There were four presentations on legal liability of volunteers, financial management, dealing with aging tenants and a motivational presentation on positive thinking. The conference was deemed a great success with the presentations prompting much discussion on the part of the volunteer boards and generating an extensive list of topics for next year's conference.

Vibrant Housing Neighbourhoods

Housing Tenants and Employees Help Haiti

Many NL Housing tenant households across the Province have faced personal challenges and know first-hand the difference it makes when someone reaches out to lend a helping hand. When the earthquake struck and television images of death and destruction appeared, tenants felt strongly that they could help out and make a difference. This resulted in many of NL Housing tenant associations organizing and raising $1,808 for Haitian earthquake victims. NL Housing matched the amount raised for a total of $3,616. This effort complemented the amount raised earlier by NL Housing employees who donated $2,250. This was also matched dollar for dollar by NL Housing for a grand total of $8,116 for the Haitian Relief Effort.

NL Housing tenants and employees were proud of their efforts to participate along with the many citizens of Newfoundland and Labrador to raise $1.8 million to assist Haiti in such a time of great need.



From left, Minister Tom Hedderson poses with Myrtle Mitchell, Eric-McKay Tenant Association, St. John's; Lorraine Terry, Froude Avenue-Cashin Avenue Neighbourhood Enhancement Association, St. John's; Canadian Red Cross representative Vanessa Froud, who accepted the donation; and Jim Martin, Burin-Black Duck Cove Tenant Association, Burin.

Allie Winter and Vanessa Froud (front l-r), representing the Canadian Red Cross, accepts the donation from NL Housing employees (back l-r) Robyn Butt, Corner Brook; Gale Aylward, Gary Dillon, Avalon Regional Office and Tracy Rose, Stephenville.

Keeping our Neighbourhoods Nice and Tidy

A few years back NL Housing introduced the Tidy Neighbourhoods Program to encourage tenants living in public rental housing and seniors apartments to participate in keeping their neighbourhoods clean and tidy and to take pride in the areas where they live. This program provides small grants to tenant associations and seniors groups to undertake projects that beautify and enhance their neighbourhoods.

In 2009-10, seniors at Forestside Manor in Corner Brook used their grant to put up some outdoor lighting and to plant trees and flowers along walkways and in the garden. The seniors really enjoy sitting outside on the garden benches and admiring their beautiful surroundings.

The Farmdale/Green Garden Hendon Drive Tenant Association of Corner Brook installed garbage cans on the playground, planted trees, bushes and flowers. They also put in a gravel walkway and concrete patio blocks to spruce up the front of the Tenant Association unit.

Did You Know?

There are 8 community centres, 14 neighbourhood centres and 33 tenant associations located in NL Housing neighbourhoods.

In Bishops Falls the ACE Tenant Association used their grant to upgrade a park near the housing units located on Birch Street. They brought in fill, top soil and fenced the area so that children could have a safe area in which to play. They also purchased some outdoor toys to encourage children to use the park.

In 2009-10, a number of Tenant Associations in the St. John's and Marystown areas participated in the Tidy Neighbourhoods Program. These groups used the funding for a variety of improvements ranging from installation of garbage boxes, benches, planting flowers and trees, painting steps and fences, sealing driveways and improving lawns. As mentioned earlier, the seniors at Cochrane House highlighted their efforts to beautify their apartment building at the annual Tenant Conference held in September 2009.

Improving Our Service

New Home for NL Housing in Corner Brook

NL Housing's new office in Corner Brook located at 34 Boone's Road officially opened for business on January 25, 2010. The new and improved space is home to both the administrative staff and the maintenance department and will provide better coordinated service to tenants and clients in the Corner Brook region.

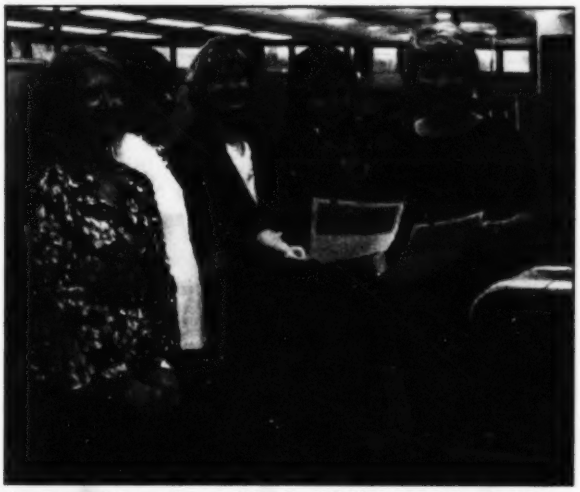
Joe Mullins Building, Corner Brook

The new Corner Brook Regional Office is named after the late Joe Mullins, a local legend as a sports broadcaster and hockey and baseball athlete.

The Honourable Danny Williams, Premier of Newfoundland and Labrador officially named the office and unveiled a plaque located in the main lobby of the new building in memory of and honouring Mr. Mullins.

Information Systems Improvements

To improve our service to clients and other stakeholders NL Housing began a replacement of computer hardware and software in 2005. A Canadian firm, Avanti Software Inc., was contracted to provide a new Payroll and Human Resources Management Information System. This is a cost-saving initiative to enhance human resources and payroll management at NL Housing.



L-R: Brenda Crawley, Finance; Elaine Gill, HRMIS Implementation Assistant, Maureen Cole, Information Technology, Marg Cochrane, Payroll; and Donna Butt, Finance, print the first cheque.

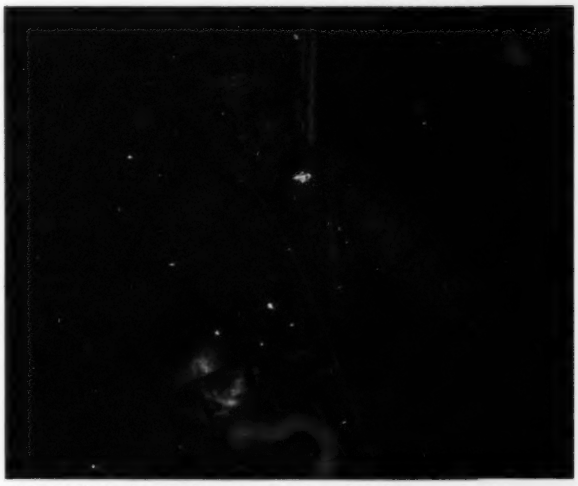
Completion of Phase 1 saw the new Avanti Payroll System coming on-line on March 31, 2010. Phase 2 has moved on to the implementation of other human resources modules and has a planned launch date of early fall 2010. In 2009-10, work also continued on development and replacement of the corporate loan system.

Improving Staff Resources and Knowledge

NL Housing's 420 employees took part in 208 seminars and 70 workshops to improve skills related to their job, service to clients and safety. NL Housing has put great effort in targeting courses to meet the needs of staff to better enable them to effectively perform in their positions and serve clients.

Employees attend an Orientation Session presented by the CEO, Len Simms.

Worthy of note is that 123 staff have been trained in First Aid and in January 2010 a First Aid course in CPR attended by an employee is credited with helping to save the life of his infant grandson.



Colin Smith, Engineering Department and grandson Alex

As well in 2009-10, a new Employee Orientation Manual was developed to provide new employees with the information and tools they need to understand the role that NL Housing plays in providing housing programs to meet the needs of clients they serve.

Apprenticeship Program

NL Housing is participating in the Provincial Government Hiring Apprenticeship Program to ensure that more apprentices find employment and allowing them to proceed through advanced-level training. The program is an initiative under the Provincial Government's Youth Retention and Attraction Strategy which ensures that youth have access to quality employment opportunities as they graduate from training programs and enter the workforce.

In 2009-10, the Apprenticeship Program provided $250,000 and NL Housing contributed $200,000 to employ 17 apprentices from the carpentry, plumbing and electrical trades. Apprentices are recruited from the College of the North Atlantic and private colleges and through the Office to Advance Women Apprentices. Two carpenters and one electrical apprentice are the first female apprentices hired by NL Housing. The program which began in 2007 also supports succession planning. One of the plumber apprentices has been hired as a permanent employee and another carpenter apprentice will be hired on a permanent basis once the course work has been successfully completed.

Scaffolding Certification

NL Housing was the first organization in the Province to acknowledge and comply with CSA Z797 as well as obtain Certification of Competent Scaffold Erector under this new standard. Maintenance and modernization crews attended Scaffolding and Fall Arrest Training through Hightek, an International Scaffolding and Fall Arrest Training provider.

This certification has provided crews with the knowledge and skills required to properly erect, dismantle, and work on scaffolds, roofing, and ladders.

NL Housing's Avalon Regional Office Modernization Crew pose next to the newly erected scaffold after the new training certification.

Thinking About Others in our Community

Our Employees Reaching Out to Help Others

A number of years ago, NL Housing's employees began to see a growing need for additional assistance amongst the tenants they served. This was especially true during times like Christmas when families needed a little extra to make it a happy time. Employees at Head Office decided to form a committee, the Employees Reaching Out (ERO) to assist tenants and their families in times of hardship or need.

Employees began fund raising efforts by holding events such as a lunchtime burger day and Christmas pot luck where employees would each make a dish and then pay to eat the food they prepared. Donations from Jeans Day and ticket sales on various items are also undertaken throughout the year to raise funds. The ERO makes donations to the tenant children's and seniors' Christmas parties, provides food trays to the families of deceased tenants and provides funds to buy household supplies for tenants in need.

Employees also contribute food and gift items for hampers which are distributed to needy families at Christmas time. Christmas 2009 saw 12 families assisted through the hamper drive.

ERO Christmas Pot Luck L-R: Wayne Follett, Eddy Furlong, Minister Tom Hedderson, Ann Wells and Michelle White.

Cabot Habitat for Humanity

NL Housing has been a long-time supporter and partner with Cabot Habitat. Employees are in a unique position of being able to offer a helping hand. NL Housing has a skilled labour force comprised of plumbers, electricians, carpenters, painters, along with a vast pool of willing volunteers. In 2009-10, the build was particularly special with NL Housing employees constructing a fully-accessible home from the ground up. They donated their time to do the work after hours and on weekends.

The City of St. John's donated the piece of land located on Eastaff Street for the build and $60,000 was made available through the Federal Housing Trust Fund. The newly constructed home provided a safe and affordable home for a single mom with a disability, making their lives a little easier.

NL Housing has been a partner with Cabot Habitat since 1994. Of the 31 families who have received Cabot Habitat Homes in the Province, 18 families were chosen while they were tenants of NL Housing. In addition, over the years NL Housing has donated land for approximately 11 homes throughout St. John's and the Mount Pearl metro area and provided expertise in the areas of land development and housing.

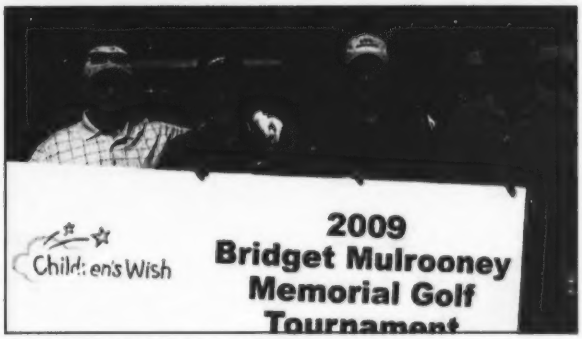
Cabot Habitat Home for Humanity Eastaff Street. Photo provided by Wayne Lindstrom, Avalon Regional Office Maintenance.

NL Housing Employees Help Make Wishes Come True

NL Housing employees are no strangers to the Children's Wish Foundation of Canada. Again this year, four employees participated in the 2009 Bridget Mulrooney Memorial Golf Tournament, a two-day event to help raise funds to grant wishes for children with high risk, life-threatening illnesses.

The 10th annual golf tournament was able to raise just over $51,000 to help grant wishes to children and of that amount the NL Housing team raised $1,300 through the sale of tickets on a jacket.

In 2009, the Children's Wish Foundation of Canada granted 41 wishes and was working on another 24 wishes.



L-R: Wayne Walsh, Gary Dyke, John Halliday, Glenn Goss.

NL Housing Receives National Award

The Canadian Association of Occupational Therapists presented NL Housing with a Canadian Association of Occupational Therapists Citation Award on October 23, 2009. This prestigious award is presented annually in each province and territory across Canada during National Occupational therapy month. This award acknowledges the contribution of agencies, programs or individuals working outside the occupational therapy profession who incorporate practices into their organizations to improve the health and well-being of Canadians. NL Housing was nominated by the Newfoundland and Labrador Association of Occupational Therapists.

Tom Lawrence, accepted the award on October 23rd during a reception at Head Office.

NL Housing programs that were cited in the nomination included the Provincial Home Repair Program which assists persons with physical disabilities and seniors to make accessibility modifications to their homes, allowing them to return or to stay in the home longer. Also cited is the accessible renovation of NL Housing properties, the building of new accessible housing, the incorporation of workplace ergonomics and employee return-to-work programs in the workplace.

NL Housing asked to Participate in Skills Canada Competition

On March 26, 2010, more than 200 secondary, post-secondary and apprenticeship students from all over the Province and regional finalists in trades and technologies came together in St. John's to compete in the 13th annual provincial Skills Canada competition.

Jim Learie (right), a carpenter with NL Housing and fellow judges Amos Pynn and Tim Benoit size up a blueprint of a miniature house being constructed by Brendan McDermot at the Skills Canada competition in March at the Carpenters Millwrights College in Paradise.

The Skills Canada competition is a great venue to promote trades and technologies among young people as a viable career option. The provincials in St. John's were held in conjunction with the 9th Annual Provincial Skilled Career Day. This event featured 40 competitions, trade demonstrations, a career showcase, college tours, a Skills Work for Women conference, and an awards ceremony.

For a third year in a row one of NL Housing's Maintenance Repair Persons has helped judge the carpentry contest of the Olympic-style multi-trade and technology event. The winner of the provincial competition advances to the Skills Canada National competition to be held in Ontario in May 2010. This event was supported by the Department of Innovation, Trade and Rural Development through the Youth Innovation Program.

NL Housing's Scholarship Program

For many years NL Housing has awarded scholarships to high school graduates and adults pursuing post-secondary education. The scholarships are awarded in the Avalon/East, Central and Western/Labrador regions to tenants' children and adult tenants returning to school. Each scholarship is valued at $1,000. Youth scholarships are awarded based on the results of the Department of Education's scholarship score, which is derived from a student's performance on public examinations. Winners of the adult scholarships are selected based on an interview that assesses initiative, need and community experience. The 2009-10 scholarship winners* are:

Youth Winners– Tenants' Children	Adult Winners
Robyn Parsons Avalon/Eastern	Catherine Murrin Avalon/Eastern
John McLellan Central	Angela Newhook Central
Samantha Williams Central	Tobias Lucus Western/Labrador

NL Housing's scholarship program supports government's approach to reducing poverty in Newfoundland and Labrador.

**Scholarship winners' names are published with their consent*

3.0 Shared Commitments

NL Housing collaborates with a number of key government partners and other stakeholders to ensure coordination and integration of services for those who most need it in our Province. These partnerships allow government to maximize resources in serving clients requiring assistance with housing, health and education, or who have other social needs. We continue to consult with clients, stakeholders and the Federal Government to improve services and programs to those in most need of housing assistance.

Poverty Reduction

In 2006, the Province launched the *Poverty Reduction Strategy* with the goal of preventing, reducing and alleviating poverty in Newfoundland and Labrador. Through this strategy the Province has adopted an integrated approach that engages community partners and government departments to tackle poverty head on. The departments and agencies that are part of this comprehensive government-wide strategy are: Human Resources, Labour and Employment; Labrador and Aboriginal Affairs; Women's Policy Office; Finance; Voluntary and Non-Profit Secretariat; Child Youth and Family Services; Education; Innovation, Trade and Rural Development; Rural Secretariat; Justice; Health and Community Services and NL Housing.

Over the four year period 2006-07 to 2009-10, NL Housing has implemented a range of initiatives designed to respond to the housing needs of individuals and families and enable them to achieve their potential to participate in community life. All have been funded under the Poverty Reduction Strategy, with new initiatives for 2009-10 receiving funding of $15.75 million.

NL Housing contributed towards the Poverty Reduction Strategy goals of improving access and coordination of services, ensuring a stronger social safety net and a better educated population with the initiatives highlighted in the table.

NL Housing Initiatives 2006 – 2010
• Established a Provincial Homelessness Fund
• Increased funding for eight NL Housing Community Centres
• Lowered the rent-geared to income rental rate for subsidized rental housing clients of NL Housing and Community Based Housing-providers
• Hired a Community Collaboration Facilitator to increase access to career, employment and related services for NL Housing clients
• Expanded the Rent Supplement Program to subsidize additional units for low-income households
• Funded renovations and energy retrofits for social housing as part of a modernization and improvement program
• Provided capital funding to private and non-profit housing groups to develop affordable housing
• Regeneration of social housing units in response to demand for smaller units
• Provided an Education Incentive Allowance to encourage NL Housing tenants to remain in school and further their education

Education Incentive Program

Under the Poverty Reduction Strategy government has placed great emphasis on the education of our youth and young adults as a way to reduce poverty and to improve their lives by giving them an opportunity to fully contribute in our society.

NL Housing has continued with its program to offer incentives to families to encourage young people and adults living in social rental housing to stay in school and further their education. NL Housing provides a monthly financial incentive of $50.00 for each dependent in a household attending junior high and high school.

This financial incentive is also extended to every adult member in full-time attendance at a post-secondary institution.

In 2009-10, 995 students living in public rental housing availed of this financial incentive. This represents approximately 47% of all students living with NL Housing.

After school Homework Program, Virginia Park Community Centre, St. John's.

Healthy Aging in Newfoundland and Labrador

Our Province is greying faster than any other province and territory in the Canada. In 2007 the Provincial Healthy Aging Policy Framework was developed to promote healthy aging and a culture that respects older adults in Newfoundland and Labrador. An Interdepartmental Working Group was established to oversee the policy directions and initiatives to foster healthy aging. NL Housing is a member of the team to promote healthy aging.

In 2009-10 the following NL Housing initiatives supported healthy aging in our Province.

Program/Initiatives	Assistance to Seniors
Provincial Home Repair Program	$9.3 M spent to deliver 2,361 grants: 1,684 grants went to low-income seniors.
Affordable Housing Program	$8.2M approved to develop 172 rental homes for seniors. 24 of these homes will be fully accessible.
Public Rental Housing Program	5,522 households: 1,753 are seniors.
Rent Supplement Program	1,384 subsidized private rental units: 973 house seniors.
Residential Energy Efficiency Program	1,118 approved applications. 81% of applicants are over the age of 55. 57% of applicants are over the age of 65.
Rent Reduction for tenants in NL Housing subsidized units	Rental reduction for 1,753 senior tenants averaging $42 per month.
Rent Reduction for tenants in Community Based Housing	Rental reduction for 900 senior tenants averaging $50 per month.
Oil Tank Replacement Program	231 applicants approved; Average loan advanced was $1,242; Average age of clients approved was 61 years.

Federal/Provincial/Territorial (F/P/T) Housing Forum Secretariat

The F/P/T Housing Forum Secretariat is co-chaired by Canada Mortgage and Housing Corporation (CMHC) and one of provinces or territories on a rotational basis. In February 2008, NL Housing became the Provincial/Territorial co-chair. The mandate of the Secretariat is to provide an opportunity for all provinces and territories to work with the federal government in sharing information and to ensure that housing issues are identified for discussion and resolution.

There have been a number of accomplishments since NL Housing became co-chair, most notable the renewal of the Residential Rehabilitation Assistance Program and Affordable Housing agreements. The highlight of 2009-10 was the Province's hosting of the Provincial/Territorial Housing Ministers' conference which took place from August 18-20, 2009 in St. John's.

Claire Robitaille, John McKay, Lily Pol Neveu, Quebec, Kate Moffatt, NL and Beau, Newfoundland Dog mascot at Housing Minister's Conference, August, 2009.

Meetings were held between the Provincial/Territorial Ministers to discuss a number of highly important housing issues. The conference and social events that followed were well attended and considered very successful.

At the conference Newfoundland and Labrador turned responsibility for the Provincial/Territorial co-chair over to the province of Alberta.

Affordable Housing Initiative Evaluation

The Province and the Federal Government in May 2003 entered into the Affordable Housing Initiative (AHI) Agreement Phase 1 valued at $30.28 million and in November of 2005 signed Phase 2 valued at $10.62 million. NL Housing was asked to participate in the evaluation of these agreements which was completed in July of 2009.

The evaluation concluded that both agreements increased the number of affordable housing units and without the agreements a significant number of landlords would not have developed affordable housing in their areas. Residents living in these newly constructed homes were satisfied with the physical condition of their homes. Seniors noted improvements in their social and family networks and in their ability to continue to undertake daily activities.

The evaluation however, noted that affordability was still an issue for a number of tenants living in AHI units. There is a continued need for government involvement in addressing housing affordability and supply especially for low–to-moderate income families.

Federal Government Consultation

In September 2009, NL Housing participated in consultation forums on the Residential Rehabilitation Assistance Program, Affordable Housing Initiative and Homelessness Partnering Strategy. These programs are designed to address housing and homelessness. The consultations were held by CMHC and Human Resources and Skills Development Canada. The purpose of the consultations was to seek the provinces and territories views on how the current approaches to housing and homelessness could be improved, look at best practices and discuss alternative delivery models.

Government and Community Partnerships

NL Housing staff participate in a wide range of committees at the provincial and regional level. These partnerships focus on shared clients who access services from multiple service systems that are operated by government departments or at the community level. The Committees to which NL Housing contributes are highlighted in the table below:

NL Housing consultation session with community groups and government partners.

Government and Community Partnerships
• **Interdepartmental Working Group, Poverty Reduction Strategy** – Provides departmental input into the strategy.
• **Interdepartmental Advisory Committee, Supportive Living** – Contributes to the development of supportive living options and models that promote housing stability.
• **NAVNET** – Inter-system collaborative network in the St. John's area working to improve access to services and supports by individuals with complex service needs.
• **Interdepartmental Working Group, Aging and Seniors** – Provides departmental input into the development and on-going initiatives of the Provincial Healthy Aging Policy Framework.
• **Interdepartmental Steering Committee, Long-Term Care and Community Support Services** – Provides input to the Department of Health and Community Services in formulating options to reform the LTC-CSS system.
• **Interdepartmental Working Group, Disability Policy Office** – Contributes to planning to ensure that services and programs include persons with disabilities.
• **Violence Prevention Access, Cross Departmental Committee** – Guides evaluation of violence prevention and intervention programs and services to determine accessibility for vulnerable populations.
• **Community Advisory Committee on Homelessness** – Established by Human Resources Development Canada. Provides input on initiatives under the Homelessness Partnering Strategy.
• **City of St. John's Affordable Housing Committee** – Contributes to the identification of issues and opportunities related to affordable housing in the City.
• **NL Housing and Homelessness Network** – A network of community-based service providers, provincial and federal departments and agencies and representatives of persons at risk of homelessness who are committed to working on issues related to homelessness and housing.
• **Homelessness Partnering Initiatives** – Regional Committees that work on plans to find local solutions to housing needs.
• **Regional Senior Management Councils** – Facilitate information exchange and coordinate activities for enhanced effectiveness of services and programs for shared clients of the Department of Human Resources, Labour and Employment, Regional Health Authorities and NL Housing.
• **Family Resource Initiatives** – Cross-departmental coordination focused on services to children under the age of six and their families to aid with healthy growth and development.
• **Committees Against Violence** – Regional coordinating committees that discuss issues related to violence and ways to work together to prevent violence.

Issue One: Improve the physical condition of the public housing portfolio.

Newfoundland and Labrador has some of the oldest public housing in Canada. Construction began in 1949, and at that time, homes were built to house larger families. Almost 80% of the rental housing portfolio are homes with three or more bedrooms. Our population has changed and now the majority of our housed tenants and applicants are smaller families who require only one or two bedroom homes. Seventy percent of public housing tenants are either single occupants or are single parent families. Almost 85% of applicants for social housing are single parents, single individuals and seniors.

NL Housing targeted funding to upgrade building envelopes and interiors, address visibility and security issues and redevelop and revitalize targeted housing neighbourhoods. This will improve the living conditions of current tenants and address the demand for housing among smaller families who require smaller homes. In 2007-08, the Province provided increased funding of $27.5M over a 5 year period for accelerated modernization of public housing. In 2008-09, the Province approved an additional $2M per year for 5 years to undertake interior repairs to public housing and gave one time approval of $2M to address mold and mildew issues. Renovation of social housing homes deals with issues around energy efficiency and environmental concerns. An ongoing benefit of upgrading the public housing portfolio is lower annual maintenance costs in the homes that have been upgraded.

Improving the physical condition of the public housing portfolio directly supports government's Strategic Direction of housing, which seeks an outcome of sustainable social housing for households with the greatest need.

Goal One: By 2011, NL Housing will have improved the condition of the existing public rental housing.

Objective 2010: NL Housing has continued with upgrading and neighbourhood redevelopment plans.

Measures: Upgraded public housing homes. Continuation of redevelopment plan.

Indicators	Accomplishments 2009-10
Number of homes upgraded	During 2009-10 NL Housing completed upgrading work on 354 public housing homes throughout the Province. Work commenced on another 530 homes which will be completed in 2010-11.These renovations included building envelope upgrades (doors, windows, siding, roofs, etc.) and work such as electrical upgrades, foundation repairs, furnace conversions and accessibility modifications. Specifications were prepared for a total of 90 upgrading projects. NL Housing's seasonal workforce is divided into several crews specializing in upgrading projects such as door, window and siding replacement and roofing. The seasonal crews completed 15 upgrading projects with the remainder completed by external contractors. Oil tank replacement and certification was also undertaken for 25 public housing homes in the Province. This work was needed to comply with pending provincial regulation. NL Housing commenced year 2 of its program to upgrade and modernize the interior of public housing units. Bathroom and/or kitchen renovations were completed on 210 homes province wide. These upgrades aid in reducing the costs of routine maintenance associated with outdated bathrooms and kitchens, some of which are more than 60 years old.
Continuation of neighbourhood improvements	In 2009-10 NL Housing continued with its program of redeveloping and revitalizing high density public housing neighbourhoods in the Province. These projects include exterior and interior building upgrades, address visibility and security issues and generally revitalize housing neighbourhoods. In 2009-10 work began on the construction of four new public housing homes in the Cashin/Froude Avenue neighbourhood of St. John's. Major upgrading of another eight units in the Empire Avenue (Rabbitown) area of St. John's also commenced. The redevelopment of Perrault Place in Happy Valley-Goose Bay has been completed. Community response to these revitalization projects has been positive with both the public housing tenants and the surrounding neighbourhoods benefiting from the enhanced public housing areas.

Issue Two: Partner with private and non-profit groups to construct new rental accommodation for low and moderate income households.

Over the last 30 years, Newfoundland and Labrador has aged faster than any other province in the country. Within 10 years, 20% of our population will be over the age of 65 years and 45% will be over the age of 50. NL Housing recognized that the Affordable Housing Program offered the greatest opportunity to increase the number of homes available to seniors, disabled and clients with special needs. By working with private sector and community-based groups, new accommodation was constructed under the Affordable Housing and Housing Trust Programs for low and moderate income households.

Providing increased access to affordable rental accommodations in the province supports government's Strategic Direction of poverty reduction.

Goal Two: By 2011, NL Housing will have increased the supply of new rental accommodation under the Affordable Housing and Housing Trust Programs.

Objective 2010: NL Housing will continue to partner with private and non-profit groups to ensure completion of new rental accommodations under the Affordable Housing and Housing Trust Programs.

Measure: The number of new rental accommodations constructed.

Indicators	Accomplishments 2009-10
Number of new rental accommodations constructed	Under the Affordable Housing Program 249 units were approved during 2009-10. NL Housing is partnering with 24 private sector developers and five non-profit community groups to complete these new rental accommodations under the Affordable Housing Program. Also during the year, 12 new rental units funded under the Affordable Housing Program were completed. As a result of this construction, new affordable rental housing is available in the communities of Marystown and Conception Bay South. A total of 272 new units have been constructed/ converted since 2006 under the Affordable Housing Program.
Number of rental accommodations occupied by families, seniors, and clients with disabilities or special needs.	Under the Affordable Housing Program, 12 new rental units were constructed during 2009-10 for seniors. Two of these units are fully accessible and are designated for persons requiring such design features.

Issue Three: Assist low income households living in private housing

In 2003, the Government of Newfoundland and Labrador announced a blueprint to guide the Province on a journey of self-reliance. In April 2007, the Government of Newfoundland and Labrador tabled its budget for the Province calling it "a budget of vision and action" and indicating that one of the means to promote self-reliance was through investment in housing programs.

NL Housing, in partnership with the Government of Canada, delivers the Provincial Home Repair Program (PHRP) which provides home repair assistance to low income families who own their own homes mainly in rural Newfoundland and Labrador, a significant number who are seniors. Funding is available on a priority basis to address repairs which are considered an emergency or are life safety in nature and covers home modifications to allow seniors and persons with disabilities to remain in or return to their homes. Financial assistance is provided to undertake home repair to address problems associated with the building envelope. Applicants for this program are placed on a waiting list.

The Federal component of PHRP was scheduled to expire on March 31, 2009. The Federal Government committed to extend the agreement in January 2009. One of the initiatives to promote self-reliance through investment in housing programs was the enhancement of PHRP by the Province. NL Housing received a commitment from the Province for an additional $4M per year beginning on April 1, 2007, for the next six years. The additional funding will help to address the wait list for repairs and improve the housing conditions of low income clients assisted under the PHRP.

NL Housing, in partnership with the Government of Canada delivers the Rent Supplement Program (RSP) which targets low income households by paying a portion of their rent for private rental accommodations. The tenant's rental payment to the landlord is between 25 to 30 percent of their income with the remaining portion of the rent paid directly to the landlord by NL Housing by written agreement. The RSP subsidizes mainly one and two-bedroom apartments primarily in urban parts of the Province and serves to reduce NL Housing's wait list; $1M per year provides 250 rent supplements for seniors and persons with special needs.

The assistance provided under both the Provincial Home Repair Program and the Rent Supplement Program are important parts of NL Housing's support for government's Strategic Direction of poverty reduction.

Goal Three: By 2011, NL Housing will have improved the condition of privately owned homes of low income families assisted through PHRP and increased the number of clients housed under the RSP.

Objective 2010: NL Housing has continued to increase the number of low-income households assisted under PHRP and continued to increase the number of households assisted under the RSP.

Measures: The number of privately owned homes repaired under PHRP.
The number of clients housed under the RSP.

Indicators	Accomplishments 2009-10
Number of grants provided to households assisted under PHRP	During 2009-10, 2,361 grants were provided to low income households under the Provincial Home Repair Program. The number of grants provided in 2009-10 was 4.5 percent less than the number of grants provided in 2008-09. However, the average grant amount for 2009-10 was 4.8 percent greater than the average grant in the previous year. As a result, the total value of grants provided in each of those years was $9.3 million. These grants enabled homeowners to undertake emergency and life safety repairs as well as repairs to windows, doors, siding, foundations, wells and roofs. Home modifications to allow seniors or persons with disabilities to remain in or return to their homes are also covered. In addition to the grants provided under this program, 440 loans totalling $1.4 million were also provided during the year. The additional $4 million per year from the Province that began on April 1, 2007 has enabled NL Housing to increase the number of grants provided to low income households under PHRP by an average of 569 per year over three years.
Number of target groups assisted under PHRP	In 2009-10, 319 grants were provided to low-income households under the disabled component of the Provincial Home Repair Program. These grants enabled a household member with accessibility needs to remain in or return to their home. Specific target groups assisted by the program were: • Seniors (1,684 grants) • Income support clients (399 grants), and • Households self identified as being of native ancestry (82 grants). Households assisted may fall into more than one target group; therefore, the total of all target groups exceeds the total grants issued.

Indicators	Accomplishments 2009-10
Reduction of PHRP wait list.	The Provincial Home Program wait list decreased again in 2009-10, reducing from 1,772 to 1,060. This continued decline is a result of the additional $4M per year from the provincial government beginning on April 1, 2007 for six years. This funding has enabled NL Housing to increase the number of grants provided to low income households by an average of 569 per year over three years.
Number of targeted households housed under the RSP.	The Province approved an additional $1M for the Rent Supplement Program in each of 2008-09 and 2009-10. This funding resulted in another 198 low-income households being housed during 2009-10. The $2M increase in the RSP Budget was designed to create 500 new rent supplements for low-income households residing in private accommodations based on 2007 rental market rates. During 2008-09 and 2009-10, as NL Housing allocated the new rent supplements and renewed agreements for existing rent supplements, rising market rents throughout Newfoundland and Labrador resulted in a 9 percent increase in the average annual RSP subsidy paid to private landlords. The rising subsidy required to provide rent supplements in private accommodations resulted in the creation of 384 new rent supplements over two years instead of the planned 500. Also during 2009-10, NL Housing continued to work with the Canadian Mental Health Association and Stella Burry Community Services to use RSP units to provide adequate and affordable housing to clients in the community served by these two organizations. A total of 78 rent supplement units were earmarked for clients of the Canadian Mental Health Association and Stella Burry Community Services. By the end of 2009-10, 70 of these had been allocated to low income clients.

Objectives for 2010/11	
Issue One:	Improve the physical condition of the public housing portfolio.
Goal One:	By 2011, NL Housing will have improved the condition of the existing public rental housing.
Objective 2011:	NL Housing has completed its three-year plan for modernization and improvement.
Measures:	- Upgraded public housing homes. - Continuation of redevelopment plan.
Indicators:	- Number of upgraded homes - Continuation of neighbourhood improvements.
Issue Two:	Partner with private and non-profit groups to construct new rental accommodation for low and moderate income households.
Goal Two:	By 2011, NL Housing will have increased the supply of new rental accommodation under the Affordable Housing and Housing Trust Programs.
Objective 2011:	By 2011, 468 new rental homes have been constructed under the Affordable Housing and Housing Trust Program.
Measure:	The number of new rental accommodations created.
Indicators:	- Number of new rental accommodations created. - Number of rental accommodations targeted for families, seniors, persons with disabilities and clients with special needs.

Objectives for 2010-11	
Issue Three:	Assist low income households living in private housing
Goal Three:	By 2011, NL Housing will have improved the condition of privately owned homes of low income families assisted through PHRP and increased the number of clients housed under the RSP.
Objective 2011:	NL Housing has reduced the wait lists for both PHRP and the RSP.
Measures:	The number of privately owned homes repaired under PHRP.
Indicators:	- Number of grants provided to households assisted under PHRP. - Number of target groups assisted under PHRP. - Reduction of PHRP wait lists.

5.0 Challenges Ahead and Opportunities

Challenges

There are significant challenges around Newfoundland and Labrador's aging population and the ability to meet the growing demands for housing supports for those of our society with complex service needs. The wait list for rental units may continue to grow for these groups and for smaller families.

In light of the continued increase in construction costs, NL Housing will face challenges in revitalizing larger, more dense neighbourhoods in meeting the growing need for smaller units.

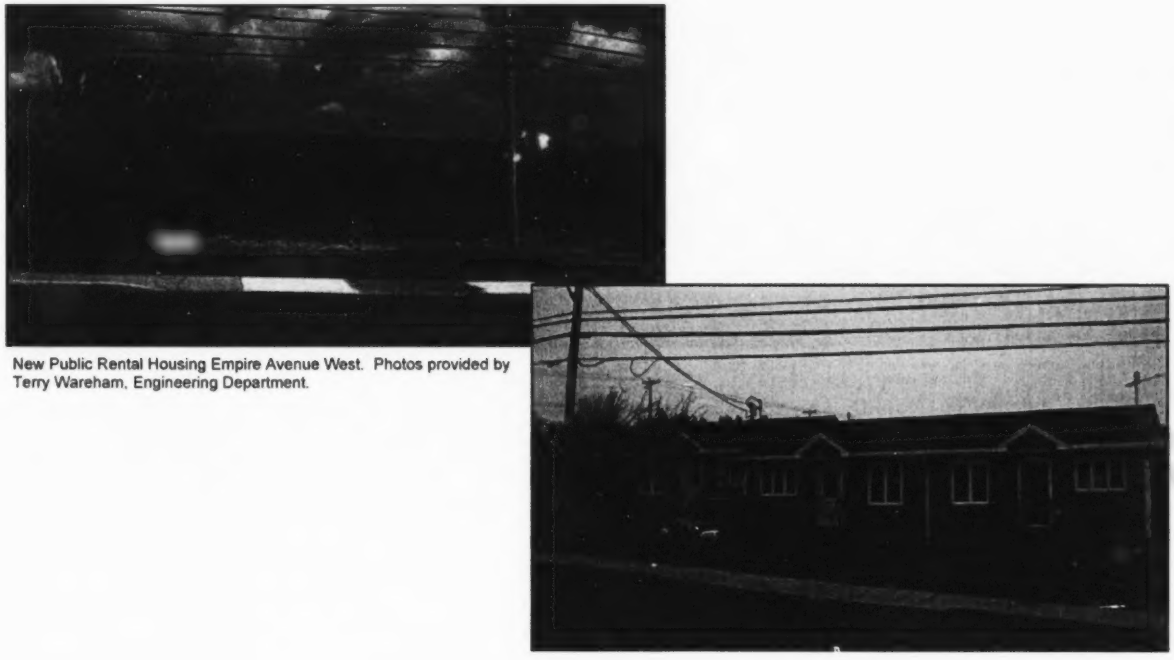
There are challenges in providing subsidized units in the private rental market-place due to diminished supply and ever increasing rental rates. There are also issues in delivering the home repair programs where the average grant for assistance continues to increase due to the cost of repairs.

Opportunities

The highlight of 2009-10 for NL Housing was the launch of a Social Housing Plan for Newfoundland and Labrador-*Secure Foundations.* The plan outlines the key issues and strategic action priorities that will be pursued to address the housing needs of the people of the Province.

There is a need to continue to build on the initiatives and investments made in recent years to improve the housing circumstances of lower-income renters and homeowners in both rural and urban communities.

NL Housing will collaborate with community stakeholders and work closely with government partners to develop initiatives and pursue opportunities that promote housing stability, independent living, well-being and self-reliance.



New Public Rental Housing Empire Avenue West. Photos provided by Terry Wareham, Engineering Department.

OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Chairperson and Members
Newfoundland and Labrador Housing Corporation
St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 2010 and the statements of revenues, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
25 June 2010

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

BALANCE SHEET

31 March	2010 (000's)	2009 (000's)
ASSETS		
Cash	$ 61,177	$ 40,633
Accounts receivable (Note 2)	10,231	5,346
Due from the Province of Newfoundland and Labrador - Labrador Housing Programs (Note 3)	2,291	3,341
Inventory and prepaid expenses (Note 4)	3,911	3,418
Mortgages and loans receivable (Note 5)	10,502	13,390
Receivable from municipalities re: land transfers (Note 6)	1,448	1,504
Land assemblies (Note 7)	1,322	7,321
Rental properties (Note 8)	190,167	193,614
Capital assets (Note 9)	11,238	9,070
	$ 292,287	$ 277,637
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 14,594	$ 12,021
Deferred revenue (Note 10)	29,418	24,263
Group health and life insurance retirement benefits (Note 11)	14,768	13,343
Capital replacement fund (Note 12)	6,267	6,668
Mortgage insurance fund (Note 13)	3,252	3,252
Mortgages, debentures and similar indebtedness (Note 14)	24,777	24,374
CMHC investment in cost-shared programs (Note 15)	110,570	117,578
	203,646	201,499
Equity		
Contributed capital - Province of Newfoundland and Labrador (Note 16)	62,861	62,861
Surplus	25,780	13,277
	88,641	76,138
	$ 292,287	$ 277,637

Contingent liabilities (Note 17)

Commitments (Note 18)

See accompanying notes

Signed on behalf of the Board:

Ken Summers
Chairperson

Rhonda M Neary
Member

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND SURPLUS

For the Year Ended 31 March	2010	2009
	(000's)	(000's)
REVENUES		
CMHC (Note 20)	$ 60,052	$ 59,345
Province of Newfoundland and Labrador operating grant	56,570	35,668
Rent	18,797	18,662
Land assemblies sales	10,759	6,818
Interest	5,482	6,439
Other income	852	355
Profit from land sales by municipalities	317	395
Gain on sale of rental properties	79	481
Gains on mortgages, loans and repossessions	-	30
	152,908	128,193
EXPENSES		
Administrative expenses (Note 21)	22,051	20,469
CMHC share of interest revenue	680	1,060
Community based housing operating subsidies	13,838	9,834
Grants to homeowners	22,332	20,930
Interest expense	2,429	2,390
Land assemblies costs (Note 7)	6,901	2,395
Losses on mortgages, loans and repossessions	55	-
Mortgage subsidies	611	850
Rental properties expenses (Note 22)	65,692	61,359
Rental properties written off	59	5
Rent supplement subsidies	5,757	4,362
	140,405	123,654
Excess of revenues over expenses	12,503	4,539
Surplus, beginning of year	13,277	8,738
Surplus, end of year	$ 25,780	$ 13,277

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended 31 March

	2010	2009
	(000's)	(000's)
Cash flows from operating activities:		
Excess of revenues over expenses	$ 12,503	$ 4,539
Add (deduct) non-cash items:		
Mortgage subsidies	611	850
Losses (gains) on mortgages, loans and repossessions	55	(30)
Amortization of rental properties (Note 22)	6,874	6,983
Amortization of community based housing	913	831
Amortization of Labrador Housing Programs	1,050	1,050
Write-off of rental properties	59	5
Gain on sale of rental properties	(79)	(481)
Amortization of capital assets	1,281	1,070
CMHC portion of non-cash items	262	2,803
Group health and life insurance retirement benefits (Note 11)	1,425	1,371
	24,954	18,991
Net change in other operating items	(2,805)	(1,188)
	22,149	17,803
Cash flows from investing activities:		
Decrease in receivable from municipalities re: land transfers	56	131
Decrease in land assemblies	5,999	2,010
Advances of mortgages and loans	(1,831)	(1,663)
Principal recoveries of mortgages and loans	4,053	4,396
Proceeds from sale of rental properties	349	1,115
Investment in capital assets	(3,449)	(2,114)
Investment in rental properties	(4,669)	(274)
Labrador Housing Programs	-	(170)
	508	3,431
Cash flows from financing activities:		
Increase in deferred revenue	5,155	9,899
Decrease in capital replacement fund	(401)	(527)
Increase in mortgages, debentures, and similar indebtedness	1,521	-
Repayments of mortgages, debentures, and similar indebtedness	(1,118)	(1,071)
Repayments of CMHC investment in cost-shared programs	(7,270)	(10,524)
	(2,113)	(2,223)
Increase in cash	20,544	19,011
Cash, beginning of year	40,633	21,622
Cash, end of year	$ 61,177	$ 40,633

See accompanying notes

Authority

The Newfoundland and Labrador Housing Corporation (the Corporation) operates under authority of the *Housing Corporation Act*. The purpose of the Corporation is to provide cost-effective housing and related programs for the benefit of the residents of the Province with priority given to those most in need. Its affairs are governed by a Board of Directors appointed by the Lieutenant-Governor in Council.

1. Significant accounting policies

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. Outlined below are the significant accounting policies followed.

(a) Mortgages and loans receivable

An allowance for mortgages and loans impairment is estimated based on the value of accounts referred to a collection agency and the accounts with reported arrears balances. The security and source of funding for the accounts that are in arrears are considered in this estimation.

(b) Repossessed units

Repossessed units are valued at the lower of cost and net realizable value based on appraised values and the estimated recovery of cost through social housing rental programs.

(c) Land assemblies

Land assemblies are valued at the lower of cost and net realizable value. Items capitalized as the cost of land assemblies include land acquisition costs, development costs, interest and other related carrying charges.

Land assembly sales are recognized as earned. A portion of the sales revenue is deferred to cover future anticipated costs relative to the land sold. The percentage of revenue deferred is equal to the percentage of cost to complete on a project by project basis.

(d) Rental properties

Rental properties are valued at the lower of cost less accumulated amortization and net recoverable amount. Items capitalized as the cost of a project include land acquisition costs, development and construction costs, interest and other related carrying charges. In instances where properties have been transferred from Government departments, costs have been recorded at $1. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

1. **Significant accounting policies (cont.)**

(d) Rental properties (cont.)

Non-profit housing	
- Capital cost	Sinking fund, 25-50 years
- Renovation costs	Sinking fund, 15 years
Market housing	
- Capital cost	2% declining balance
- Renovation costs	Straight line, 15 years

(e) Capital assets

All capital assets are capitalized at cost at the time of acquisition. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

Office buildings	2% declining balance
Furniture and office equipment	Straight line, 10 years
Maintenance tools and equipment	Straight line, 10 years
Computer hardware and software	Straight line, 4 years
Vehicles	Straight line, 5 years

(f) Severance pay

Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service. The amount is payable when employees cease employment with the Corporation unless an employee transfers to another entity in the public service, in which case the liability is transferred with that employee to the other entity.

(g) Revenue recognition

Interest income is accounted for on the accrual basis for all mortgages and loans other than the impaired portion of mortgages and loans. Recognition of interest in accordance with the terms of the original loan agreement ceases when a loan becomes impaired. A loan is classified as impaired when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of a portion of principal or interest. The impaired portion of loans may revert to accrual status only when principal and interest payments have become fully current again, at which time any interest will be recognized in that fiscal year.

1. Significant accounting policies (cont.)

(g) Revenue recognition (cont.)

Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the year.

(i) Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, mortgages and loans receivable, receivable from municipalities re: land transfers, accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These financial instruments are accounted for as follows:

Held-for-trading

The Corporation has designated cash as held-for-trading and is measured at fair value.

Loans and receivable

The Corporation has classified the following financial assets as loans and receivables: accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, mortgages and loans receivable, and receivable from municipalities re: land transfers. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment. Given the short-term nature of accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, and receivables from municipalities re: land transfers, their carrying values equate to their current fair value. The current fair value of mortgages and loans receivable is set out in Note 5.

(i) Financial instruments (cont.)

Other financial liabilities

The Corporation has classified the following as other financial liabilities: accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Given the short-term nature of accounts payable and accrued liabilities, their carrying value equate their current fair value. The carrying value of the Corporation's group health and life insurance retirement benefits is based on actuarial valuations adjusted over time for the effect of changes in assumptions and approximates its fair value. The current fair value of mortgages, debentures and similar indebtedness is set out in Note 14.

2. Accounts receivable

	2010 (000's)	2009 (000's)
CMHC	$ 8,170	$ 2,690
HST	1,210	1,369
Land assemblies	-	389
Rents	95	224
Other	831	802
	10,306	5,474
Less: allowance for doubtful accounts	75	128
	$ 10,231	$ 5,346

3. Due from the Province of Newfoundland and Labrador - Labrador Housing Programs

In March 2000, the Province directed the Corporation to fund the renovation of existing dwellings and construction of new dwellings in Northern Coastal Labrador. In March 2002, the Province directed the Corporation to fund the construction of a personal care home in Mary's Harbour.

Under these initiatives, title to these dwellings is held by the homeowners with the Province repaying the renovation and construction costs over a 15 year period. As at 31 March 2010 the amount due from the Province was $2,291,000 (2009 - $3,341,000).

These projects are being amortized at $1,050,000 annually.

4. Inventory and prepaid expenses

	2010 (000's)	2009 (000's)
Inventory	$ 355	$ 322
Prepaid expenses	3,556	3,096
	$ 3,911	$ 3,418

5. Mortgages and loans receivable

	2010 (000's)	2009 (000's)
Provincial Home Repair Program	$ 5,977	$ 6,201
Residential Rehabilitation Assistance Program loans	2,704	3,985
Subsidized mortgages to homeowners	1,880	3,366
Other mortgages and loans	1,507	1,562
	12,068	15,114
Less: allowance for impaired accounts	1,566	1,724
	$ 10,502	$ 13,390

The allowance for impaired mortgages and loans relates primarily to the Residential Rehabilitation Assistance Program loans portfolio.

6. Receivable from municipalities re: land transfers

In September 1998, the Province directed the Corporation to enter into agreements with municipalities to transfer its banked and developed industrial and commercial land. The agreements will transfer these lands to the municipalities under a mortgage arrangement and provide for a share of future land sales revenue to the Corporation.

The receivable is valued at the lower of the carrying value of the land at the date of transfer and the Corporation's share of the net realizable value of the land as outlined in the agreement. The estimated net realizable value is determined using management's best estimates of future sales. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates are not predictable. Consequently, adjustments to the carrying value of the receivable from municipalities re: land transfers are possible depending on the impact of any changes and management's best estimate of them.

As of 31 March 2010, twenty-one agreements have been completed for the transfer of lands to municipalities at a carrying value of $1,448,000 (2009 - $1,504,000).

7. Land assemblies

	2010 (000's)	2009 (000's)
Land assemblies, beginning of year	$ 7,321	$ 9,331
Cost incurred during the year:		
Land acquisition and development	744	281
Interest, capitalized	158	104
	8,223	9,716
Less: cost of earned sales recognized during year	6,901	2,395
Land assemblies, end of year	$ 1,322	$ 7,321

In September 1998, the Province directed the Corporation to divest of the majority of its land holdings. Land assemblies are valued at the lower of cost and net realizable value. The estimated net realizable value is determined using management's best estimates of future sales and costs. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates, are not predictable. Consequently, material adjustments to the carrying value of the asset are possible depending upon the impact of any changes and management's best estimate of them.

8. Rental properties

	2010			2009
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Net Book Value (000's)
Non-profit housing				
- Capital cost	$ 254,834	$ 73,385	$ 181,449	$ 187,380
- Renovation costs	4,981	3,380	1,601	2,101
Market housing				
- Capital cost	7,476	2,830	4,646	3,712
Affordable Housing Trust				
- Construction costs	1,392	-	1,392	295
- Capital costs	942	-	942	-
- Other costs	11	-	11	-
Leased land	126	-	126	126
	$ 269,762	$ 79,595	$ 190,167	$ 193,614

9. Capital assets

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(000's)	(000's)	(000's)	(000's)
Office buildings - capital cost	$ 8,979	$ 2,592	$ 6,387	$ 4,941
- construction	2,276	-	2,276	1,651
Furniture and office equipment	317	114	203	76
Maintenance tools and equipment	86	4	82	-
Computer hardware and software	3,918	2,652	1,266	1,602
Vehicles	2,099	1,075	1,024	800
	$ 17,675	$ 6,437	$ 11,238	$ 9,070

10. Deferred revenue

	2010	2009
	(000's)	(000's)
CMHC Affordable Housing Program	$ 9,193	$ 8,185
CMHC Economic Stimulus Program	8,818	-
CMHC Social Housing Agreement	498	406
CMHC Provincial Home Repair Program	360	-
Sub-total CMHC Deferred Revenue	18,869	8,591
Affordable Housing Trust	8,447	14,005
Land Sales	400	-
Rentals	402	367
Capital cost – office building	1,300	1,300
	$ 29,418	$ 24,263

Deferred revenue CMHC relates to the unearned balance of funds from CMHC under the Social Housing Agreement and the Affordable Housing, Economic Stimulus, and Provincial Home Repair Programs.

Deferred revenue Affordable Housing Trust (AHT) relates to the unearned balance of the AHT Federal Government funding

10. Deferred revenue (cont.)

Deferred land sales relates to future development costs to be funded from sales received to date.

Deferred revenue rentals consists of rental payments received by the Corporation in advance of the due dates.

Deferred capital cost relates to a capital grant from the Province towards the construction of a new office/maintenance building.

11. Group health and life insurance retirement benefits

All retired employees of the Corporation are eligible to participate in the group insurance plans. Under the plans, the Corporation pays 50% of the total premium charged towards the benefits of both active employees and retirees for life insurance and health benefits. As at 31 March 2010, the health plan provided benefits to 161 retirees (2009 - 155) and the life insurance plan to 183 retirees (2009 - 178).

The actuarial extrapolation prepared by the Corporation's actuary was based on a number of assumptions about future events including an interest rate of 6%, health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Corporation's best estimates of expected long-term rates and short-term forecasts.

Group health and life insurance retirement benefits liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

	Estimated Accrued Benefit Obligation	**Unamortized Experience Gains (Losses)**	**Net Liability 2010**	Net Liability 2009	Change
	(000's)	**(000's)**	**(000's)**	(000's)	(000's)
Group health retirement benefits	**$ 16,024**	**$ (2,838)**	**$ 13,186**	$ 11,851	$ 1,335
Group life insurance retirement benefits	1,528	54	1,582	1,492	90
	$ 17,552	$ (2,784)	$ 14,768	$ 13,343	$ 1,425

There are no fund assets associated with these plans.

11. Group health and life insurance retirement benefits (cont.)

Group health and life insurance retirement benefits expense

In these financial statements group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

	Corporation's Share of Current Period Costs	Interest Expense on the Liability	Corporation's Current Period Contributions	Current Period Amortization of Experience Changes	Change
	(000's)	(000's)	(000's)	(000's)	(000's)
Group health retirement benefits	$ 335	$ 905	$ (253)	$ 348	$ 1,335
Group life insurance retirement benefits	21	86	(12)	(5)	90
	$ 356	$ 991	$ (265)	$ 343	$ 1,425

Experience gains or losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount will be included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

The unamortized experience loss at 31 March 2010 resulted from an increase in health premium rates charged by the insurance provider.

12. Capital replacement fund

In accordance with program guidelines for non-profit and urban native housing projects, sponsor groups are required to set aside funds for the replacement of major capital items. The funds are held on behalf of the project sponsors and are released as eligible capital replacement expenditures are incurred.

Transactions relating to the capital replacement fund during the year are as follows:

	2010	2009
	(000's)	(000's)
Balance, beginning of year	$ 6,668	$ 7,195
Capital replacement expenditures	(401)	(527)
Balance, end of year	$ 6,267	$ 6,668

13. Mortgage insurance fund

Upon signing the Canada - Newfoundland Social Housing Agreement, the Corporation assumed liability for all losses and costs that may be incurred in respect of a portfolio of loans that are owned and were previously insured by Canada Mortgage and Housing Corporation (CMHC). In return, CMHC provided the Corporation with a $3,000,000 mortgage insurance fund as protection against future losses. Losses on loans are deducted from the fund, while interest earnings were added to the fund until 1 April 2003. The Corporation ceased accruing interest as of 1 April 2003.

	2010 (000's)	2009 (000's)
Balance, beginning of year	$ 3,252	$ 3,252
Gains (losses) for the year	-	-
Balance, end of year	$ 3,252	$ 3,252

The fund covers a portfolio of Federal loans totalling $135,725,167. The majority of these loans relate to either Social Housing projects that receive significant Federal/Provincial annual operating subsidies or nursing home accommodations with Provincial Government guarantees. While an independent actuarial valuation of the fund has not been carried out, the fund is considered adequate by the Corporation's management.

14. Mortgages, debentures and similar indebtedness

	2010 (000's)	2009 (000's)
With fixed terms of repayment		
CMHC fixed rate term debentures, at an interest rate of 4.12% repayable in blended annual installments of $2,215,848, with final due dates ranging from March 2022 to January 2030	$ 24,777	$ 24,374

Principal repayments for the next five years on the $24,777,000 of debt with fixed terms of repayment are as follows:

	(000's)
2011	$ 1,224
2012	$ 1,275
2013	$ 1,328
2014	$ 1,383
2015	$ 1,441

15. CMHC investment in cost-shared programs

	2010 (000's)	2009 (000's)
Non-profit rental housing	$ 85,769	$ 87,018
Rural and native housing	23,236	27,916
Home repair assistance	1,565	2,644
	$ 110,570	$ 117,578

The principal and interest payments required to amortize CMHC's investment in non-profit rental housing and rural and native housing is funded entirely through the annual Federal grant paid by CMHC, pursuant to the Canada - Newfoundland Social Housing Agreement signed in April 1997.

Repayment of CMHC's investment in the home repair assistance programs has no fixed term and is dependant upon future repayments of principal and interest on mortgages and loans.

16. Contributed capital - Province of Newfoundland and Labrador

Contributed capital represents accumulated capital grants of $62,861,000 made to the Corporation by the Province. These grants were utilized by the Corporation to develop housing projects, land assemblies and related programs for the benefit of the residents of the Province.

17. Contingent liabilities

(a) Claims

Claims have been filed against the Corporation for:

(i) General damages related to the enforcement of a Sales and Development Agreement for a shopping mall complex.

(ii) $100,000 relating to funds withheld from a contractor for deficiencies on houses constructed. This claim was filed by the contractor against both the Corporation (the mortgagee) and the homeowners of the houses.

(iii) Special damages related to an alleged breach of contract and/or negligence relating to the sale of an apartment and commercial complex property.

The above claims have not progressed far enough to enable the formation of a definite opinion as to their outcome. Therefore, the likelihood and the amount of loss to the Corporation is not determinable at this time.

17. Contingent liabilities (cont.)

(b) Environmental issues

Possible environmental liabilities exist for the following:

(i) In 1996, the Corporation learned that possible environmental liabilities exist with respect to potential large quantities of fuel left in abandoned fuel storage facilities in the Stephenville area. The Corporation has removed some of the underground tanks and fuel lines and has undertaken some further study. To date, expenditures related to this work have totalled $2,600,000. As well, based on the studies completed to date, further remediation is estimated to cost $10,000,000.

(ii) In 1998, the Corporation learned that possible environmental liabilities exist with respect to environmental contaminants including hydrocarbons and various heavy metals in the soil and groundwater on 20 hectares of the total 102 hectares in the Paradise area. Title to this site had been transferred to the Town of Paradise during 1998-99 as part of the Corporation's land divestiture program; however, the Corporation will be liable for any costs that must be incurred to clean up the site. Information received from a study completed in January 2000 indicates that the estimated costs of undertaking site remediation based on the information to date is in the order of $6,000,000.

(iii) In 1999, the Corporation learned of possible environmental liabilities relating to 17 underground fuel tanks in its St. John's properties located at Buckmaster's Circle. As a result of an environmental study conducted in 2000, the cost of environmental remediation related to this property is estimated at $1,000,000. To date, expenditures related to this work have totalled $317,000. All 17 tanks have been removed and remediation has been completed on 7 of the 17 sites.

(iv) In 2005, the Corporation learned of possible environmental liabilities relating to underground fuel tanks in its St. John's properties located on Cashin Avenue, Froude Avenue, Empire Avenue and Hoyles Avenue. The cost of environmental remediation is estimated at $1,400,000. It is currently estimated that there are 21 underground fuel tanks at these properties. To date, expenditures related to this work have totalled approximately $190,000. Removal and remediation has been completed on 9 of the 21 estimated sites.

17. Contingent liabilities (cont.)

(v) In 2009, the Corporation learned of possible environmental liabilities relating to 7 underground fuel tanks in its St. John's properties located at Pleasantville. The cost of environmental remediation is estimated at $700,000.

(vi) In 2009, the Corporation learned of possible environmental liabilities relating to electrical transformers containing polychlorinated biphenyls (PCBs) located around its St. John's properties at Chalker Place. The cost of environmental remediation is estimated at $200,000.

(vii) In 2010, the Corporation learned of possible environmental liabilities relating to 43 fuel tanks at its St. John's properties in the Guy Street-Whiteway Street area. The cost of environmental remediation is estimated at $1,290,000. To date, expenditures related to this work have totalled approximately $39,000.

The Corporation's ability to remediate these sites is dependent upon funding from the Province of Newfoundland and Labrador.

18. Commitments

The Corporation has commitments totalling $38,469,545 comprised of:

(i) Uncompleted purchase and construction contracts at year end of $10,398,983
(ii) Commitments under lending programs of $15,728,800
(iii) Commitments under grant program of $12,341,762

19. Financial instrument risks

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at 31 March 2010:

(a) Credit risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist of cash, accounts receivable, mortgages and loans receivable, and receivable from municipalities re: land transfers. Any estimated impairment of mortgages and loans receivable is provided for through an allowance for impaired accounts and no further credit risk exists for these long-term receivables.

19. Financial instrument risks (cont.)

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not materially exposed to foreign exchange risk as all financial instruments are denominated in Canadian dollars and there was an immaterial amount of foreign currency-denominated accounts payable transactions during the year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk. Interest rates on the majority of mortgages and loans receivable and mortgages, debentures and similar indebtedness are fixed to maturity.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

20. Revenue from CMHC

CMHC's share of program subsidies and administration costs are as follows:

	2010 (000's)	2009 (000's)
1997 Canada-Newfoundland Social Housing Agreement	$ 49,317	$ 50,398
Affordable Housing Program	1,855	4,705
Provincial Home Repair Program	3,826	4,240
Residential Rehabilitation Assistance Program	(24)	(7)
Mortgages	7	9
Community Based Housing Stimulus Renovations	1,720	-
Public Rental Housing Stimulus Renovations	3,351	-
	$ 60,052	$ 59,345

21. Administrative expenses

	2010 (000's)	2009 (000's)
Advertising and promotion	$ 222	$ 151
Computer system costs	1,825	1,787
General	765	805
Office equipment	120	96
Office supplies	214	172
Rent, heat, light, cleaning and maintenance	1,173	1,289
Salaries and employee benefits	16,686	15,125
Telephone and postage	455	426
Travel and vehicle expenses	591	618
	$ 22,051	$ 20,469

22. Rental properties expenses

	2010 (000's)	2009 (000's)
Amortization	$ 6,874	$ 6,983
Bad debts	78	114
Heat, light and operating	10,016	10,461
Interest on debt	16,540	17,039
Municipal taxes	5,674	5,312
Repairs and maintenance	26,510	21,450
	$ 65,692	$ 61,359

23. Pensions

Under the *Housing Corporation Act*, Corporation staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Corporation and remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Corporation's share of pension contributions for 2010 was $1,288,774 (2009 - $1,179,363).

24. Self-insurance

With the exception of certain high-risk projects, the Corporation follows the policy of self-insuring its rental properties for property damage such as fire, water and vandalism. The costs of these repairs are charged to rental properties expenses.

25. Province of Newfoundland and Labrador contribution

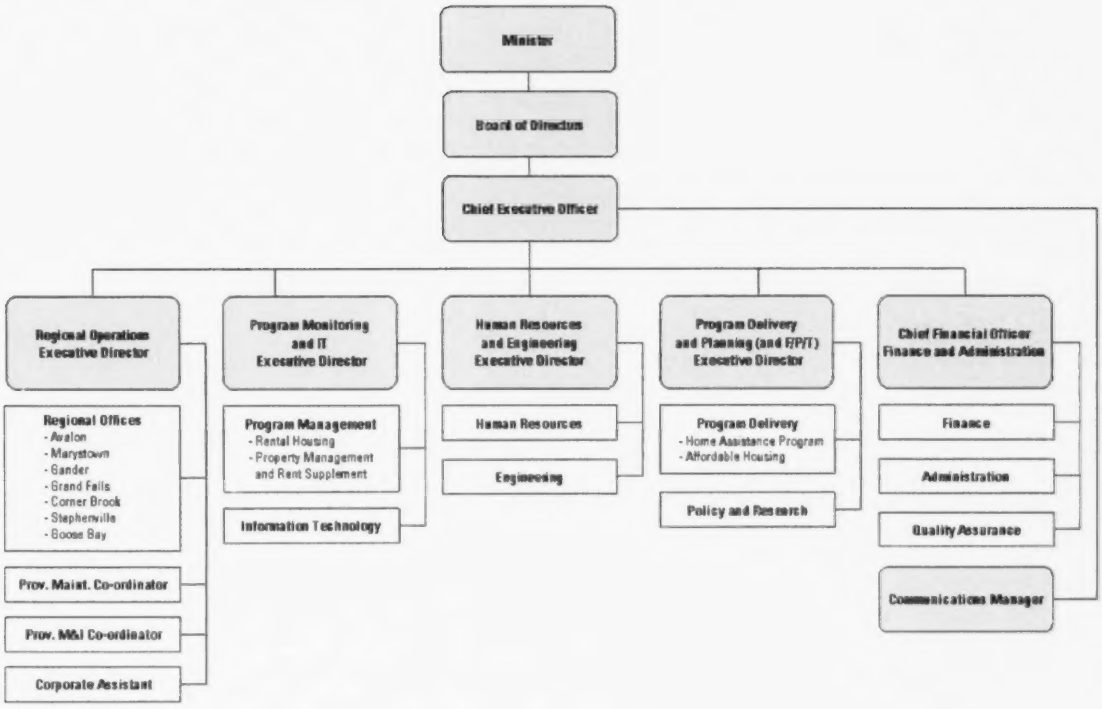
The Province of Newfoundland and Labrador contributed approximately 37% (2009 – 28%) of the Corporation's total revenues. The contribution enables the Corporation to carry out its overall mandate and to meet its fiscal challenges.

The Corporation's ability to continue to fulfill its mandate is dependent upon the decisions of the Province of Newfoundland and Labrador.

26. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

Appendix 1
NL Housing Organizational Chart



Appendix 2
Social Housing Plan for Newfoundland and Labrador-*Secure Foundations*

VISION	That Newfoundlanders and Labradorians have access to secure and affordable housing.
Strategic Directions	• Working with partners so that housing assistance is part of an integrated approach to well-being and community building. • Allocating resources to assist those with the greatest housing need. • Providing housing assistance that is responsive to client needs.
Goal 1: Increased emphasis on individual well-being and strengthened communities	**Objectives** 1.1 Greater integration of housing and support services to promote self reliance and community participation. 1.2 Increased supply of accessible housing. 1.3 Foster initiatives that support personal development and community participation.
Goal 2: Strengthened partnerships and management practices	**Objectives** 2.1 Enhanced communication and increased informa[illegible] exchange on housing need and market trends, pol issues, strategic priorities and reporting on outcomes. 2.2 Enhanced coordination and integration of programs and services between government partners. 2.3 Enhanced capacity of Aboriginal organizations and community partners to deliver housing services. 2.4 Enhanced management of assets and service to clients and delivery partners.
Goal 3: Improved housing assistance	**Objectives** 3.1 Increase rental options for low- and moderate-income households. 3.2 Increased assistance to low- and moderate-income households for repair of privately owned homes. 3.3 Increased housing assistance for Off-reserve Aboriginal households. 3.4 Improve quality of NL Housing homes. 3.5 Promote energy efficiency and conservation for lower-income homeowners and in NL Housing homes. 3.6 Continue government home heating rebate for low-to moderate-income households.

Housing

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